

## **Summary of Session 2 of Summer Study Program, July 18, 2012**

### **Exploring the Value of the Contributions of Older Adults to the Economy**

#### **1. Introduction of Attendees:**

##### **COA Commissioners (8):**

Judith Welles, Spencer Schron, Myrna Cooperstein, Barbara Mulitz, Beth Shapiro, Reuben Rosenfeld, Chuck Kauffman, Jerry Morenoff

##### **Guest Panelists (8):**

George Leventhal, Montgomery County Council Member  
Steve Silverman, Director MC Department of Economic Development  
Robby Brewer, President, Montgomery Business Development Corporation  
Andy Stern, Chairman -- Bethesda-Chevy Chase Chamber of Commerce  
Mara Mayor, Vital Living Network Representative  
Charles A. Smith, Department Health and Human Services  
Roger Berliner (Not Present – Sent Letter), MC County Council Member  
Uma Ahluwalia (Present/Part of the Session), Director MC DHHS

##### **Other Attendees (4):**

Susan I. Wranik, President GROWS  
Odile Brunetto, DHHS  
Donna Phillips Mason, Specialist in the Field of Aging  
Linda Machip, Interested Citizen

#### **2. Introductory Remarks, Jerry Morenoff**

Summer Study Chairman, Jerry Morenoff opened Session Two with a summary of the proceedings from Session One. He restated the three basic considerations governing the study:

- By 2020, the County's senior population will represent 25% of the County's population, thus making this group a major component of the County's population and a major contributor to the County's economy.
- COA's 2012 Senior Agenda refers to the valuable contributions that older adults make to the County's economy: (i) "Older adults are a valuable economic, cultural and social resource and will be included in all County planning activities at the Executive and Council levels." (ii) "Montgomery County will recognize the extent and value of the contributions of older adults to the economy." (iii) "The County will encourage County agencies and private companies to offer employment opportunities as older adults transition to retirement. The County will encourage job fairs, partnerships, and forums that provide information that promotes the value of older workers."

- The County's business community, as represented by its 13 chambers of commerce, has shown a lack of pro-active attention to the needs of older adults. What efforts are being made by the local business community to cater to and to take advantage of the economic value afforded by the growing older adult population? What efforts are being made by the County government in this regard? Is there a disparity between these efforts?

The key goals of this summer study program are as follows:

- To understand the need to identify, develop, and use appropriate statistics to quantify and explore the value of the contributions made to the economy by the older adult population; and, to determine how to quantify this value and learn what statistics exist in this regard.
- To determine whether or not the business community and/or the government are aware of or even appreciate the value of the contributions of older adults to the economy.

If so, to determine: (i) how the County is showing its appreciation for this value and what types of incentives, if any, are they offering to businesses in this regard; and, (ii) what types of initiatives are being provided by the business community to demonstrate their appreciation for the contributions of older adults to the economy.

If not, to determine: what methods should be sought for educating both the government (through the COA, for example) and the business community (through local County Chambers of Commerce, for example), of the growing monetary value of older adults to the local economy and the expanding business market for meeting the needs of older adult residents, thus setting the stage for developing a public-private partnership to take advantage of this growth.

Dr. Morenoff noted that it is important that ethnic/racial and geographical diversity be reflected in the conclusions of this study group. Recent attempts to achieve this diversity have proven unsuccessful but we will continue to seek ways of reaching out to appropriate representatives/organizations.

Finally, Session One reached a consensus on the following two items: (i) the need for identifying relevant Maryland and Montgomery County statistics (not just national statistics) that take into account a uniform, standardized definition of what constitutes an older adult (i.e. similar to the approach taken by the AARP in classifying older adults by three age groupings); and (ii) the need to understand that the word "value" as used in this summer study, refers to the monetary value of contributions of older adults to the economy (e.g. the value of their contribution to state and county taxes, to charities, and to volunteer efforts; the value of income generated each year by new and existing businesses that cater to the needs of older adults).

The basic objectives of Study Session Two:

- To learn what the County is doing to understand and appreciate the monetary value that older adults contribute to the local economy.
- To learn what the County is doing to quantify and define the value that older adults add to the local economy, by developing and providing appropriate State and County statistics.
- To learn what the County is doing to determine what affect the value added to the local economy by the older adult community is having on the allocation of budgetary resources in support of increased level of services to this growing population.
- To learn what the County is doing to develop a public private partnership with local businesses and civic organizations for all parties to take advantage of the potential economic benefits to the community of the growing population of older adults, and,

### **3. Guest Panelist Council Member George Leventhal**

Council Member George Leventhal gave remarks citing the importance of the COA in the County's process of policy change and that he would look seriously at Commission policy recommendations that might result from the summer study. He noted that the County recognizes that the population is aging and there are growing concerns about housing, including a current debate on accessory apartments. He observed that County senior services focus primarily on the needy, and that, in general, it is the needy that will stay in the County while the affluent may have more mobility. Mr. Leventhal also stated that he is not aware of any data that indicates the share of the County's older residents' portion of property or income tax. He further emphasized that government services alone cannot address all needs, especially in a difficult economy. "Jobs have to be there," he stressed. Finally, he noted that the County's older adult population is more affluent than in other areas and they contribute significantly to the local economy (although he was unable to provide statistics to back up this assertion).

Mr. Leventhal pointed out that in March, the County Council held a meeting regarding the Growing Senior Population and the challenges for seniors who are looking for work. This was part of a series of briefings organized by Council President Roger Berliner. The main points and follow up from this briefing were that:

- The Council requested information on senior demographics in Montgomery County related to race, ethnicity and poverty rates. Mr. Leventhal indicated that he is not aware if this data or data related to the impact of seniors on the County's economy is available.

- The Council also identified the need to understand trends including the number of people who are moving out of single family homes into apartments and condominiums.
- The Council will keep apprised of efforts in the County to develop volunteer community based systems that provide reliable transportation and other supports to senior communities.
- The Council will also consider ways to encourage senior-friendly home design and create incentives for builders of intergenerational communities; and,
- The County has also requested AARP legislation related to accessory apartments and advice on bringing communities together on this issue.

Mr. Levenson addressed the question of whether or not successful seniors want to remain in Montgomery County, noting that it is a complex issue. He said we need to study this because there is a need to keep seniors in the County. He looks to the COA to give recommendations on how to keep vital senior dollars here. Some seniors have returned to the County after migrating to other states. However, there has not been a flood of older adults leaving the County. Maybe we need better migration data.

Mr. Levenson stated that we have the best school system and that is primarily what keeps a lot of people in the County. Once citizens no longer need MCPS, there is an attraction to retire to other states. He does not know if our services are better than Florida/Arizona and if that is what keeps people here. He did, however, state that our cultural amenities are excellent here. He does know that Montgomery County is a high cost place to live and the government concentrates services on those most in need. Many seniors stay here because of children/grandchildren. Tax rates here do not compare with other states. Affluent seniors do not need County services. The vital living seniors do not use meals at senior centers etc.

Montgomery County is competing with other high profile cities/counties in the nation. We need to create an atmosphere in the County that encourages public/private partnerships. It is important to see how government and business can partner together to increase business opportunities and serve the growing needs of our older population.

One such partnership, he noted, is the County's collaboration with the Jewish Council on Aging, and its locally managed national -- Senior Community Service

Program (SCSEP), which provides: on-the-job training for low-income County residents age 55+; payments of minimum wage to participants while training; and skill building and resume preparation. He also noted that the County is involved in JCAs 50+ Employment Expo.

**4. Council Member Roger Berliner (Statement Submitted)**

**OFFICE OF THE COUNCIL PRESIDENT**

**MONTGOMERY COUNTY COUNCIL**

July 18, 2012

Dear Members of the Commission on Aging,

I am very sorry for having to miss this important meeting today. A former staffer of mine lost her courageous battle with cancer over the weekend, and this morning I am attending her memorial services. I thank you for your understanding.

As you probably know, I have been a strong supporter of seniors' issues in our County. We've got a lot of seniors here – and that is especially true in District 1, the district that I represent. During my time on the Health and Human Services Committee, I hosted a series of "Senior Forums", focused on safety, aging in place, and on senior well being.

I did so in part because I appreciate the tremendous contribution that seniors make to our quality of life in Montgomery County. And in order for these seniors to continue thriving and contributing, I recognize that they must be able to "age in place." That what we need to create in Montgomery County is a "community of a lifetime."

To that end, in my role as Council President, I began that conversation at the Council with a hearing I scheduled earlier this year as part of our "Shaping Our Future: Adapting to Change" series. The panel, comprised of nationally-recognized experts on seniors issues, led a wide-ranging, stimulating discussion that produced a number of action items for follow up. Among these items is to better understand the changing trends with respect to seniors and how these trends should inform our decision making on future budgets. As you know, the Council's and the County Executive's shared commitment to these issues was reflected in a number of ways in the FY13 budget approved in May. I would expect that, to the extent that fiscal conditions allow, this commitment will continue.

I look forward to our continued work together in ensuring that Montgomery County is the kind of place that welcomes and empowers our senior population. This fall, the Council will consider legislation that would simplify and allow the use of "accessory apartments" – a critical tool not only in diversifying our County's affordable housing stock but also in enabling seniors to age in place. I would also like to continue to embrace and support the kinds of innovative partnerships that exist in places like Burning Tree – the kind of "naturally occurring retirement communities" that strengthen neighborhoods and foster a sense of community for our seniors.

Thank you for your advocacy and for all of your good work on behalf of our County's seniors. My colleagues and I are all grateful for your service.

Sincerely,

Roger Berliner  
Council President  
District 1

[www.montgomerycountymd.gov](http://www.montgomerycountymd.gov)

**5. Guest Panelist: Steve Silverman, Director of Montgomery County Department of Economic Development**

The role of the Department of Economic Development (“DED”) is to stimulate job growth and encourage business location and expansion in the County. Its mission is to make Montgomery County a globally competitive and highly diversified knowledge-based economy.

DED’s functions include the following:

- Identifying potential buildings and land for operations
- Supplying market research data
- Serving as an ombudsman with County agencies and processes
- Providing information on tax and incentive programs
- Delivering technical assistance to small and minority, female and disabled-owned businesses
- Conducting job fairs to help you companies find the employees they need
- Identifying potential grants, contracts and sources of capital.

DED’s program areas include the following:

- Financial & tax incentives
- Workforce Development
- Local Small Business Reserve Program
- Business Incubators and Business Innovation Network
- Technology Transfer
- Small and Minority Business Empowerment
- Small Business Mentorship
- Agricultural Preservation
- Marketing and Development

There is no mention on DED’s website relating to needs of the County’s older adult community.

The DED office has a relatively small staff. In recent years the staff has been reduced from 46 employees to 28, but they have added a Small Business Navigator staff person to help new small businesses get started. DED has contracts with local groups who assist/consult with small businesses but it is not based on age.

There are over 33,000 businesses in the County, with 95% of them considered small businesses, having less than 50 employees. The 200 largest businesses in the County have on average, 180 employees. He emphasized that life science, cyber security, and health care are the top priority businesses for DED.

Economic development and regulatory policies in Montgomery County differ with respect to large and small businesses. What is the role of government with respect to

businesses? Should it be partnering by offering incentives? Incentives are good PR initiatives but generally not effective for businesses. Should we try to give incentives to companies to hire 55+ individuals?

He did, however, take the opportunity to point out that DED does support job fairs, including job fairs for seniors (e.g. the JCA senior fair). But he emphasized that job availability is only as good as the economy. Unless jobs are available the job fairs will fail. Today, the economy is flat and will stay that way for several years. Consequently, job growth will remain very slow. He noted that there are many unemployed, college graduates seeking work.

In response to a question, Mr. Silverman addressed the issue of preferential hiring of veterans. He noted that a Charter Amendment would be needed for hiring veterans preferentially. He talked briefly about a County initiative that offers six months free rent for new business opened by veterans.

In response to the issue regarding local chambers of commerce, Mr. Silverman noted that there is little need to educate Chambers or businesses on senior issues because businesses can see a market developing and will naturally respond (i.e. “businesses can figure it out”). In general, he did not see a role for government in educating or soliciting for business development for a senior market.

He pointed out that health care is a major need for older persons and that it represents a growth industry nationally and a big one in Montgomery County. He does believe, that businesses should be encouraged to focus on senior needs. He noted that currently, the major County focus is in home health care (with emphasis on aging in place), transportation, and home repairs. Two major new sources of jobs are at the new hospitals i.e. Holy Cross and Adventist.

He briefly discussed the importance of facilitating small businesses and non-profits that can provide services needed by older adults. He emphasized that the major initiative now is the retraining of employees in the health care arena into outreach, preventative health care and systems for older professionals. The health care industry is the only one that is really growing in our economy.

Mr. Silverman also noted the good work being done by several entities that recognize the value of older workers, e.g. Civic Ventures, Encore Careers, SCORE and ReServ

With respect to the availability of data regarding seniors, Mr. Silverman indicated that census data is primarily the only source of data. The Comptroller of MD retains confidential information regarding taxes paid by seniors in the County. Hard data is not easily available. Maryland does have a more affluent older population than do most other parts of the country. For example, pensions and 401Ks are at a higher level in Maryland and Montgomery County because of the number of government employee retirees here. And County residents have more disposable income.

Regarding allocation of County budgets to senior needs, Mr. Silverman said that there is a continued competition for dollars and a challenge to identify priorities. There is, in his opinion, no direct collaboration between budgetary revenue allocations and monetary values contributed to the economy by seniors.

**6. Guest Panelist: Robby Brewer, President – Montgomery Business Development Corporation (MBDC)**

The MBDC was established in 2010 as a non-partisan organization to provide a private sector perspective regarding economic development issues, including strategic planning, retaining and attracting business and legislative and regulatory advocacy. The changing regional trends and needs identified by MBDC are as follows:

- Montgomery County has seen real net job losses when others in the region are growing;
- Federal spending in our region will be constrained;
- Our strengths continue to attract residents, but we need to improve the tax base to provide services and improve infrastructure.

The mission of the MBDC is:

- Through objective and non-partisan analyses and advocacy, the MBDC will strive to effect positive changes in the economic model of Montgomery County, as well as foster business success, in order to improve our quality of life;
- We believe that by adapting to changing conditions, competing to attract businesses and residents, and enabling the development of innovative products and services, we can diversify our culture and accommodate beneficial growth.

Robby Brewer, President of the Board of MBDC, described the purpose and planning staffing for the organization. He noted that it was formed, in part, as a result of the competitive race with other Maryland counties, DC, Virginia, as well as other states and internationally as well. He stated that we need a conducive business environment in Montgomery County – an environment that includes catering to seniors and those who hire seniors, although that is not now a focus of MBDC. Attracting higher paying jobs is a priority --- as that provides increased tax revenues. He noted that the MBDC has not defined and will probably not define any particular group such as seniors in their work. He emphasized the mission of the MBDC as it relates to researching and advocating for critical economic growth factors and “adapting to changing conditions, competing to attract businesses and residents, and enabling the development of innovative products and services...”



**7. Guest Panelist: Andy Stern, Chairman – The Greater Bethesda-Chevy Chase Chamber of Commerce:**

Mr. Stern reiterated what previous BCC Chamber members stated in Session One, i.e. that the BCC Chamber has a standing Senior Marketing Committee and is planning a Business Expo where companies selling to the senior market can exhibit their services. This event is designed to encourage businesses to enter the senior marketplace. Also, only 4 or 5 County chambers have staffs and that is the primary reason why other chambers don't have standing senior focus committees.

Mr. Stern took the opportunity to point out a significant fact relating to his office furniture business which was started by his father over 60 years ago. He stated that Maryland has a major disincentive for small businesses to hire older workers. The rate for health insurance for a small business is based on the average age of the workforce, and, for example, in his case, if the average age of workers is 39, the rate is about \$650 a month but if the average age is 40, the rate is \$1800-1900 a month. The health insurance reform law will not change this. Consequently, this unfortunate condition will continue to result in a prohibition of many small businesses to hiring older employees.

**8. Guest Panelist: Mara Mayor, Co-Chair of Vital Living Network (VLN) Employment Committee**

Mara Mayor spoke of the importance of language in referring to older workers because few of them want to be called “senior,” “older,” or “mature” and prefer “over 50.” She also emphasized the need for providing readily available information resources to those older adults seeking jobs, including the VLN publication “The Navigator.” She discussed the role of HR professionals as gate keepers for jobs, noting the forthcoming VLN/AARP September event for HR professionals with CEOs in attendance to reach out to businesses. She also noted ReServe, a non-profit now in Maryland for 55+ experienced workers.

**9. Guest Panelist: Charles Smith, DHHS**

Statistician, Dr. Charles Smith provided a view of available data, stating that spending by older residents is devoted to many of the same things as other residents except that more is spent on healthcare, particularly at older ages. He made some general observations that can be drawn from national data but no specific County data on the economic value of seniors is now available. He did, however, note that Montgomery County is a microcosm of national data. He also noted that older adults (65+) versus those under 65 have no difference in how they spend their income as far as proportions expected for health care expenses. Also, those 85+ who are healthy on average, do not spend more than younger people.

**10. Session Three Agenda**

Participating COA Commissioners will meet to discuss and summarize the opinions, suggestions and conclusions resulting from the first two sessions. Emphasis will be on providing recommendations to the County government and the business community that stress: (i) the growing monetary value of older adults to the local economy; and, (ii) the expanding business market for meeting the needs of older adult residents. This in turn will set the stage for developing a public-private partnership to take advantage of these growth factors.